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FIRST COUNTRY COOPERATION FRAMEWORK FOR BELARUS (1997-1999)

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INTRODUCTION

1. Soon after the opening of the United Nations/UNDP office in September 1992, a short-term country framework was prepared in collaboration with the Government. That framework guided operations until the formulation of the first country programme for Belarus, which was approved by the Executive Board in April 1995. An interim assessment of the first country programme was carried out through: (a) meetings with government officials, particularly those of the Ministry of Economy, which is in charge of United Nations/UNDP technical assistance; (b) meetings with major contributors of external aid to Belarus, such as representatives of the European Union's Technical Assistance for the Commonwealth of Independent States programme and bilateral donors representing the local aid group; and (c) assessment and discussion of the findings of the 1995 and 1996 national human development reports and the development reports of the United Nations Children's Fund, the World Health Organization (WHO), the World Bank and the European Bank for Reconstruction and Development. The preparation of the first country cooperation framework (CCF) for Belarus, which covers the period 1997-1999, was part of the aforementioned process, and involved discussions with representatives of the Government, donors and non-governmental and civil society organizations.

I. DEVELOPMENT SITUATION FROM A SUSTAINABLE HUMAN DEVELOPMENT PERSPECTIVE

2. Before the dissolution of the former Soviet Union, Belarus was one of the most economically and socially well-off republics. Occupying less than 1 per cent of the former Soviet Union's territory, Belarus produced more than 4 per cent of its gross national product. Because of its high level of industrial development, Belarus was often referred to as the former Soviet Union's main "assembly line".

3. Rapid industrial and agricultural growth in Belarus required the proportional development of education and science. As a result, the country achieved universal literacy and created a dense network of universities and secondary, vocational-training and research institutions, thus generating significant scientific and intellectual capacities.

4. Like other republics of the former Soviet Union, Belarus faced many serious problems when the Soviet Union's economic system collapsed. Belarus had been heavily dependent on the other republics for fuel, raw materials and other vital production inputs. In terms of technology, despite its high degree of technical and industrial specialization, the country was not in a position to compete in world markets. Before independence, the economy had been oriented largely towards production for the military-industrial complex of the former Soviet Union, and not towards meeting consumer needs. As a result, the output of consumer goods and the level of development of the social infrastructure remained low. For the most part, citizens were isolated from managing the economy and influencing its performance. No effective system was in place to ensure steady economic growth and sustainable development.

5. The situation was further aggravated by the dangerous state of the environment, which had deteriorated sharply because of the overdevelopment of the chemical and petrochemical industries, and the ubiquitous construction of large-scale livestock farms without suitable technologies for processing animal wastes. The environment also continues to suffer from the consequences of the Chernobyl accident, which exposed approximately one fifth of the country's territory to radiation.

6. Of late, more economic and social difficulties have emerged relating to the transition from a command to a market economy. A deep economic crisis has erupted, causing production to decline and inflation to rise. This crisis has already led to a significant decline in the living standards of the Belarusian people as well as mounting social and political tensions. Nevertheless, Belarus' scientific and intellectual resources, advantageous geopolitical position in the centre of Europe, substantial industrial capacity and well-trained workforce demonstrate the potential for extensive political, socio-economic and cultural renewal and further sustainable development.

7. The 1995 and 1996 national human development reports presented the concept of sustainable human development (SHD) to the Belarusian people in local languages for the first time. This led to the preparation of a National Sustainable Development Programme in follow-up to the recommendations of the United Nations Conference on Environment and Development for countries in transition. The programme may be regarded as a national Agenda 21, within the broader SHD conceptual framework.

8. Sustainable livelihoods. Belarus experienced a serious decline in most socio-economic indicators during the 1990-1995 period. Gross domestic product declined by 36 per cent and the number of people living below the poverty line continued to increase to its present level of 63 per cent of the total population. Inflows of foreign investment have been less than expected. At the same time, the previous system of social support has been dismantled, and new safety net mechanisms have not yet been able to compensate. The sharp decline in most people's living standards has decreased their sense of well-being and confidence in the future.

9. Over two thirds of the population live below the official poverty line, defined at 60 per cent or less of a monthly income based on a minimum consumer budget. The number of poor has risen as much as 20 times since 1990. Thus, the restoration of economic growth based on the availability of a highly qualified workforce and a well-developed science and technology sector is the Government's top priority.

10. The Government's objective in the area of sustainable livelihoods is to improve the marketing capacity of potentially competitive enterprises and in the longer term to create a new private small- and medium-scale enterprises sector. A new Ministry of Entrepreneurship and Investment is currently formulating a comprehensive national programme, with a special emphasis on women's employment.

11. Gender. Two thirds of the unemployed are women. Despite the fact that women are generally better educated than men, the majority of women occupy jobs with poor promotion opportunities. The high proportion of women in some

occupations often indicates the low social status of those jobs. The officially endorsed National Programme on Women specifically addresses the issue of supporting women's entrepreneurship.

12. Environment. In line with Agenda 21, the Government of Belarus has established a National Commission on Sustainable Development and a National Sustainable Development Programme to develop cross-sectoral approaches and mechanisms for sustainable development in the areas of environment, population, and economic growth.

13. As mentioned above, a major problem that continues to affect not only millions of individuals but also the capacities of the Government is the April 1986 accident at Chernobyl. The economic costs of that disaster are estimated at $235 billion over the period 1986-2015. The main areas of environmental concern relate to the further reduction of the disaster's impact on the environment, improved environmental protection and management, and support for national parks and eco-tourism.

14. Governance. One of the fundamental principles of the National Sustainable Development Programme is the establishment of an enabling legal environment and clearly defined roles for the State, local governments and civil society, as key vehicles for promoting sound governance from a SHD perspective.

II. RESULTS AND LESSONS OF PAST COOPERATION

15. Since the beginning of its operations in the country in 1992, UNDP has assisted the Government of Belarus in building its capacity in two main priority areas: (a) the social consequences of transition; and (b) economic restructuring and the management of natural resources. In substantive terms, UNDP efforts have focused mainly on the transfer of knowledge, building institutional capacity and raising public awareness of SHD.

16. In certain thematic areas, in coordination with other United Nations agencies, UNDP was at the forefront in offering international assistance to help Belarus to cope in practical terms with various adverse human, social and economic consequences of transition. The impact of UNDP support was especially successful in areas where it had a comparative advantage, namely: (a) demilitarization, (b) women-in-development, and (c) science and technology.

17. The main results in the above-mentioned thematic areas included: (a) a National Programme on Social and Economic Revival through Demilitarization was elaborated and submitted for government endorsement, and practical support was provided for small- and medium-scale enterprise start-ups on former military bases, including the development and delivery of special vocational training programmes for unemployed women living there; (b) a Gender Information and Policy Centre created within the Ministry of Social Protection played a key role in establishing the National Programme on Women after the Fourth World Conference on Women; (c) hundreds of local scientists and technology developers received practical advice on how to commercialize their intellectual products in international markets.

18. Lessons learned. The principal lessons learned from past cooperation cannot be categorized simply as "positive" or "negative". Some successful areas of support also suffered adverse features, which were in the end successfully overcome. For instance, delays in the preparation of project documents were not necessarily followed by a slow rate of implementation. In most cases, such projects enjoyed rather high delivery rates, as was the case for the majority of projects.

19. Generally, in terms of its impact, the availability of resources, management and delivery, four main lessons can be drawn from the first country programme. First, further training of counterparts in project preparation, implementation and management should be properly maintained because the lack of such knowledge seriously affects the effectiveness of UNDP operations in the country. Second, special consideration should be given to the execution modality: in most cases, a combination of national and agency execution is most appropriate. Third, more care is needed in matching the UNDP mandate with the specific and urgent needs of the country. Fourth, in light of the above and due to the fairly limited resources available, UNDP support should focus on areas not covered by other donors.

III. PROPOSED STRATEGY AND THEMATIC AREAS

20. In order to contribute a visible, value-added impact to Belarus' development efforts, UNDP support will be concentrated in three thematic areas: (a) sustainable livelihoods, (b) living environments, and (c) governance. Overall, either directly or indirectly, all cooperation in the above-mentioned thematic areas will contribute to the implementation of the State National Mid-Term Plan of Social and Economic Development 1996-2000. In each thematic area, UNDP support will help to strengthen government capacity to implement ongoing and planned national programmes, provide leverage for attracting complementary funding and apply innovative programming tools. Thus far, the thematic areas selected for UNDP intervention under the first CCF have not been covered substantially by any of the major bilateral or multilateral donors.

21. In terms of process, particular emphasis will be placed on: (a) improving quality, through the promotion of a stronger sense of national ownership, the use of the programme approach, closer collaboration with other United Nations agencies, and enhancing the capacity of the country office; (b) increasing the effectiveness and efficiency in programme delivery, through the wider use of innovative programming and operational approaches and tools; (c) establishing linkages with other types of UNDP support, for example, global, interregional, regional and subregional projects, technical cooperation among developing countries and technical cooperation among countries in transition, as well as promoting collaboration with other United Nations agencies, bilateral and multilateral donors and civil society institutions; and (d) advocacy of SHD as a paradigm for Belarus' development.

22. An important feature of cooperation under the first CCF will be the use of the programme approach, whereby UNDP support will be designed to assist in the formulation and implementation of national programmes in the selected thematic areas. This will increase the impact of the limited UNDP resources available,

as well as become the vehicle for a more effective framework for coordination, resource mobilization and management.

A. Sustainable livelihoods

23. Fighting the growing poverty in Belarus through the generation of jobs and income is envisaged as one of the major areas of UNDP support. To strengthen the Government's capacity to respond adequately to the situation, UNDP will help the Government to review national policies in terms of their potential anti-poverty impact and stimulate income-generation activities through small- and medium-scale enterprises. It is expected that additional support in this area will be available through the UNDP Poverty Strategy Initiative.

24. Women's poverty will be addressed through the National Programme on Women, with support from the Regional Bureau for Europe and the Commonwealth of Independent States, under its regional programme on gender in development. The national emphasis will be on promoting women in business. Other activities to benefit women will also be formulated. Additional support for women will be provided through projects financed from other funding sources, such as the United Nations Population Fund, the Joint and Co-Sponsored United Nations Programme on HIV/AIDS and WHO.

25. In order to promote income-generating economic development, women who were former military staff and who now live at closed military bases, scientists working at research institutions that were connected with the military, and inhabitants of the Chernobyl-affected areas will be targeted for micro-, and small- and medium-scale enterprise activities. Support will also be provided for the development of business applications for and the management and marketing of scientific and engineering products, in order to further build Belarus' well-recognized capacity in this area. Ad hoc support for transitional macroeconomic adjustment policies will also be provided.

26. The combined impact of UNDP interventions in this thematic area is expected to improve the national capacity to manage the transition process, ultimately leading to: (a) the establishment of reliable institutional mechanisms to monitor poverty at policy level; (b) closer collaboration between women's non-governmental organizations (NGOs) and the Government and better networking among NGOs to improve women's economic and social advancement; (c) the identification of commercially and institutionally viable micro-scale financing tools for entrepreneurs; (d) the establishment and promotion of best practices in the areas of small- and medium-scale enterprises, by establishing "business incubators" to foster private entrepreneurship; (e) increased revenue from better marketing and export promotion policies; (f) the retention of national intellectual capacities through support to science and technology and research and development; and (g) the formulation of a National Anti-Poverty Action Plan, in line with the recommendations of the World Summit on Social Development.

B. Living environments

27. In this thematic area, UNDP will focus its support on the preparation and implementation of the National Sustainable Development Programme, which, as mentioned in paragraph 7 above, may be regarded as a national Agenda 21. For the most part, funds from Capacity 21 and the Global Environment Facility will be used to support work in this area. If additional cost-sharing funds can be mobilized, sustainable energy, biodiversity, eco-tourism and the conservation and management of national parks are also areas where the Government would like to strengthen its national capacities.

28. The Government has requested that UNDP direct support towards the socio-economic rehabilitation of Chernobyl-affected areas. The possibility of obtaining additional core resources under the line for development in countries in special situations will be investigated. Those resources would be used for activities in the small- and medium-scale enterprise sector. Other activities envisaged include: (a) maintaining awareness of the consequences of the Chernobyl disaster; and (b) providing support for human settlements in the context of the SHD and Agenda 21 conceptual frameworks, particularly for settlements located in areas affected by the Chernobyl disaster. Participation in ongoing UNDP global programmes such as the Local Initiative Facility for Urban Environments is also foreseen.

29. The combined impact of UNDP interventions in this thematic area is expected to improve national capacity to manage the transition process, ultimately leading to: (a) the full-fledged formulation of a national Agenda 21 within the broader conceptual framework of SHD; (b) greater awareness among policy makers, economists and the general public that environmentally sound economic policies can also be commercially viable and revenue-generating, by promoting, for instance, cost-effective sustainable energy approaches; (c) the identification of ways to improve living environments in the Chernobyl-affected areas at the level of human settlements; and (d) the formulation of a national plan of action, in line with the recommendations of the Second United Nations Conference on Human Settlements.

C. Governance

30. In this thematic area, the Government and UNDP will concentrate on policy dialogue in relation to the preparation of national human development reports, with the ultimate goal of promoting the development to fight poverty, protect human rights and advance the position of women.

31. Support is also envisaged for strengthening government capacity in the management of international development cooperation and the mobilization of resources. In particular, the Government has requested that UNDP, with the United Nations Centre for Human Rights, assist in the establishment of a human rights institution, thereby creating a sufficient capacity to apply international human rights standards through Parliament, government agencies and civil society, including the area of women's rights. National activities will be linked to the regional programme on democracy, governance and participation.

32. UNDP has been requested to take a lead in connecting Belarus, its institutes and civil society with the Internet, an initiative that will be co-financed by the Soros Foundation, through cost-sharing.

33. The combined impact of UNDP intervention in this thematic area is expected to improve national capacity to manage the transition process, and ultimately leading to: (a) a better understanding of the existing linkages between human and economic development; (b) improved access to information resources available worldwide; (c) streamlined coordination mechanism among donors in the area of technical cooperation; and (d) strengthened capability to promote human rights.

IV. MANAGEMENT ARRANGEMENTS

34. Execution and implementation. National execution will continue to be the principal modality for executing UNDP-supported projects in Belarus, although the services of United Nations specialized agencies for specific projects and their budget components will be sought as required.

35. Monitoring, review and reporting. All projects will be subject to normal UNDP monitoring and evaluation procedures, including progress and technical reports, meetings and visits. However, more attention will be given to transparency within each project and the CCF as a whole. Projects will be reviewed on an annual basis by the local Programme Advisory Committee, with government and civil society organization/NGO participation as appropriate. Particular emphasis will be placed on identifying benchmarks and success indicators for each national programme and project, in order to facilitate performance and evaluate impact.

36. Coordination. The United Nations Resident Coordinator and UNDP country office staff will continue to play an active role in coordinating activities, both by strengthening the Government's own capacity to manage external resources and by hosting donor meetings, including for the United Nations system agencies present in the country. UNDP will continue to maintain informal consultations among donors and support visiting missions, and will also play a leading role in the preparation of a common country assessment, as well as a country strategy note, subject to agreement of the Government. Furthermore, UNDP will continue to help the Government to collect, update and distribute information on development cooperation and to issue development cooperation reports. It has been agreed with the Government to use the Internet as a coordination and promotional tool, so that United Nations-assisted projects and other donor-supported development activities may benefit fully from this new technology. This principle will also apply to the use of the Sustainable Development Network.

37. Resource mobilization. In view of the limited UNDP resources available (see annex), special efforts will be undertaken to mobilize additional funds to support national development objectives, particularly through the cost-sharing and management services agreement modalities. As a result, UNDP support will concentrate on the areas with best possibilities for achieving the critical mass of resources necessary to ensure that project objectives can be met.

38. Public information. Two important functions of the UNDP office are the distribution of information on United Nations-related activities and advocacy of themes promoted by General Assembly resolutions and the Executive Board. These activities will be continued and strengthened, in order to ensure the far-reaching and forward-looking impact of UNDP cooperation as well as the mobilization of additional resources for SHD.

Annex

RESOURCE MOBILIZATION TARGET TABLE FOR BELARUS (1997-1999)

(In thousands of United States dollars)

Source	Amount	Comments
UNDP CORE FUNDS		
Estimated IPF carry-over	-	
TRAC 1.1.1	284	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
Other resources	1 165	In line with decision 95/23, paragraph 19.
SPPD/STS[1]	210	
Subtotal	1 659[2]	
NON-CORE FUNDS		
Government cost-sharing	300	
Sustainable development funds	700	
	of which:	
GEF	500	Estimated.
Capacity 21	200	Eventual support to implement national Agenda 21.
Third-party cost-sharing	2 800	
Funds, trust funds and other	100	PSI
Subtotal	3 900	
GRAND TOTAL	5 559[2]	

[1] Tentative SPPD/STS targets are established as a fixed percentage of potential TRAC resources, including "other resources" for Europe and the Commonwealth of Independent States. The amount shown is higher than these targets owing to the need for such support and other country-specific factors.

[2] Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: GEF = Global Environment Facility; IPF = indicative planning figure; PSI = Poverty Strategy Initiative; SPPD = support for policy and programme development; STS = support for technical services; and TRAC = target for resource assignment from the core.